

Credit Dos and Don'ts

Good credit is critical to obtain the best interest rate and terms on a mortgage.

DO

Do Stay Current On Existing Accounts

One 30-day late notice can cost you.

Do Continue To Use Your Credit As Normal

Changing your pattern will raise a red flag and lower your credit score.

Do Call Your Mortgage Professional First

Before making any address or credit changes.

DON'T

Don't Apply For New Credit

Every time you have your credit pulled by a potential creditor or lender, you can lose points from your credit score. This includes co-signing for a loan.

Don't Max Out Credit Cards

Try to keep your credit card balances 30% below their limit during the loan process. If you pay down balances, do it across the board.

Don't Consolidate Your Debt

When you consolidate all of your debt onto one or two credit cards, it will appear that you are “maxed out” on that card and you will be penalized.

Don't Close Credit Card Accounts

If you close a credit card account, it may appear that your debt ratio has gone up. Closing a card will affect other factors in the score, including credit history.

Don't Pay Off Collections Or “Charge-Offs”

If you want to pay them off, do it through escrow at closing.

The Steps to a Perfect Loan

A quick overview of what you can expect from your home purchase process.

